

GAO

United States General Accounting Office

**Report to the Chairman, Committee on
Agriculture, House of Representatives**

February 1989

**INTERNATIONAL
TRADE**

**Review of FAS
Attache Service**



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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

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February 23, 1989

The Honorable E. (Kika) de la Garza
Chairman, Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

At your request, we reviewed the activities of the Department of Agriculture's foreign attache service, focusing on planning, reporting, coordination, qualifications, which include language proficiency, and overseas posting and staffing. We are recommending that the Secretary of Agriculture ensure that attache planning documents include specific activities for measuring the achievement of post objectives and attaches' foreign language capabilities be improved to effectively communicate with host-country officials. The Department of Agriculture concurred with our findings and recommendations stating that actions were being taken to add more specificity to attache planning documents and to provide more language training for attaches.

Copies of this report are being sent to the Secretary of Agriculture and to other interested parties. This report was prepared under the direction of Allan I. Mendelowitz, Director, International Trade, Energy, and Finance Issues. Other major contributors are listed in appendix III.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank C. Conahan".

Frank C. Conahan
Assistant Comptroller General

Executive Summary

Purpose

The Chairman, House Committee on Agriculture requested GAO to examine the role and responsibilities of the Department of Agriculture's Foreign Agricultural Service's attache service. GAO assessed the Service's planning for overseas market development activities and the attaches' role in reporting and coordinating these activities and their qualifications and post locations.

Background

Title VI of the Agricultural Act of 1954 (Public Law 83-690) authorized the Secretary of Agriculture to assign agricultural attaches abroad to encourage and promote the marketing of U.S. agricultural commodities and to assist U.S. farmers, processors, distributors, and exporters to adjust their operations to meet world conditions.

In fiscal year 1988, the Service operated 65 posts and 14 agricultural trade offices overseas with 103 attaches who were responsible for representational, marketing, and promotional activities in over 100 countries. The Service employed 160 foreign service nationals to assist attaches. In fiscal year 1988, \$24.8 million was budgeted for overseas attache activities.

Results in Brief

GAO's report describes the activities of agricultural attaches, specifically focusing on planning, reporting, coordination, qualifications, which include language proficiency, and overseas posting and staffing. Overall, GAO found attaches to be performing their responsibilities in a satisfactory manner; however, some improvements are needed in the planning and language proficiency areas.

GAO's Analysis

Establishing and Staffing Overseas Posts

The Service views the present and/or potential of a country as a market for U.S. agricultural products as the dominant factor in locating overseas posts. It bases these decisions on long-term trends rather than on short-term marginal changes in market conditions. GAO found that the Service generally applies this criteria in its posting decisions. The Service assigns a major proportion of its staff to European countries to maintain the significant amounts of U.S. exports to these countries and to focus on the major trade centers of Brussels and Geneva. However, to respond to the existent and projected growth of agricultural trade in

third-world countries, the Service has slightly increased staffing in these countries.

Planning and Market Development

Although the Service's guidance to the posts for preparing their annual work plans states that each objective shall describe the means by which it will be attained and include estimates of the resources that will be needed, GAO found that activities and duties in some of these planning documents were described in general terms and that few of the activities incorporated benchmarks or measures for determining the success of the activities.

One of the attaches' major functions is to work closely with U.S. non-profit cooperator commodity groups, which represent U.S. farmers in conducting foreign market development activities, to ensure their compliance with the Service's Cooperator Program guidelines. Attaches review cooperators' market development plans during their preparation, agree on the type and number of activities to be conducted, and evaluate whether the activities will adequately address country marketing constraints. Attaches also assist cooperators by providing them with office space and support services, co-sponsoring food shows and international food technology exhibitions, providing trade leads, and furnishing information on trade problems in the host country.

The attaches' effectiveness in enhancing U.S. agricultural exports is difficult to quantify because macroeconomic and political factors, which are major determinants of trade, are beyond their control. However, based on discussions with attaches, cooperators, and host government officials, GAO found the relationship between attaches and cooperators to be positive in enhancing U.S. agricultural exports.

In addition, in response to congressional concerns, the Service has recognized that there is a need for more interface between attaches and domestic agricultural groups interested in market development activities and has pledged to do more within its time, priority, and budget constraints.

Planned Improvements in Reporting Expected

Historically, the Service has been criticized for requiring attaches to prepare and submit too many reports, adversely affecting attaches' capability to perform their market development functions. A 1985 revision to the attache reporting system reduced the number of regularly scheduled reports and emphasized timeliness and analysis.

In the fall of 1986, the Service established a working group to study the timing, content, and responsiveness of the current reporting system. This system accumulates and disseminates information concerning competition and demand for U.S. agricultural products overseas and factors that affect and influence the export of U.S. agricultural products. The group identified the following issues in need of attention: (1) assuring that posts submit monthly update reports, (2) incorporating marketing and trade policy information in reports, (3) determining the appropriate number of scheduled reports, (4) improving the report appraisal process, and (5) enhancing the system's flexibility in constructing and transmitting reports. Recommendations on most of these issues have been made to the Service and it is considering their implementation.

Departmental Coordination

In 1986, a Service study group concluded there was a critical need to improve coordination of Department of Agriculture programs to realize full export expansion potential. The group recommended that the Service develop ways to improve coordination between various Departmental agencies. Subsequently, the Secretary of Agriculture reissued a departmental regulation which confirmed the established Departmental policy that the Service is the lead agency in dealing with foreign countries on all agricultural matters.

Coordination With Other U.S. Departments and Agencies

GAO found that it is difficult to develop a coordinated U.S. approach on agricultural trade when the various agencies involved have different viewpoints and priorities on agricultural-related matters. Congress recognized this when it authorized the establishment of the Agricultural Trade and Aid Mission Program in December 1987, with the intent of achieving an integrated approach for enhancing U.S. agricultural exports by using all U.S. programs in both food aid and agricultural trade. The new program also stresses better targeting and more specialized use of these programs; it gives the attaches a pivotal role in planning and coordinating the activities of the missions and arranging meetings between the mission teams and representatives of the private and government sectors of their host countries.

Attaches Need to Improve Foreign Language Skills

The ability of Foreign Service personnel to effectively communicate in the principal foreign language of their host country is necessary to successfully perform their duties and responsibilities. The Department of Agriculture devotes considerable funding and time to provide language

training to achieve this capability. The Service has not formally set minimum proficiency levels for the principal language of the country to which the attache is assigned. The Service believes that a speaking/reading proficiency level of 3 (based on a 0 to 5 language proficiency scale, with 5 being the highest rating) is sufficient to perform the general business activities of attaches but that a higher proficiency level is required to conduct sensitive or technical negotiations.

In analyzing the language proficiency of 93 Service attaches assigned as of September 1987 to countries with a principal non-english foreign language, GAO found that only 26 percent had achieved a speaking/reading proficiency level of 3 or better. Service management officials were aware of this problem and stated that language proficiency has been a major consideration in their recent hiring of new attaches and training of existing attaches.

Recommendations

GAO recommends that the Secretary of Agriculture direct the Service Administrator to (1) have annual work plans include specific activities that allow for measuring the achievement of post planning objectives and (2) ensure that attaches assigned to overseas posts are able to effectively communicate with host-country officials in their principal language.

Agency Comments

The Service concurred with GAO's findings and recommendations and stated that it was taking actions to add more specificity to the annual work plans and to provide more language training for attaches.

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Abbreviations

| | |
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| AID | Agency for International Development |
| AIMS | Agricultural Information and Marketing Service |
| APHIS | Animal and Plant Health Inspection Service |
| ARS | Agricultural Research Service |
| ATO | Agricultural Trade Officer |
| CPS | Country Project Statement |
| FAS | Foreign Agricultural Service |
| FGIS | Federal Grain Inspection Service |
| FSN | Foreign Service National |
| FSIS | Food Safety and Inspection Service |
| GATT | General Agreement on Tariffs and Trade |
| HVPD | High Value Products Division |
| OICD | Office of International Cooperation and Development |
| USDA | U.S. Department of Agriculture |
| US&FCS | U.S. and Foreign Commercial Service |
| USIA | U.S. Information Agency |
| USTR | U.S. Trade Representative |

Introduction

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 83-480), as amended, authorized market development overseas to enhance exports of U.S. agricultural products. Title VI of the Agricultural Act of 1954 (Public Law 83-690) authorized the Secretary of Agriculture, with the concurrence of the Secretary of State, to assign agricultural attaches overseas to promote U.S. agricultural products. The major objectives and functions of the attache service established under Public Law 83-690 are as follows.

- Expand foreign outlets for U.S. agricultural commodities through maintaining awareness of foreign market demand situations and developing support for adjustments of foreign government economic and trade policies that adversely affect U.S. exporting interests.
- Maintain awareness of foreign crop and livestock production competitive with U.S. farm exports and economic, trade, and commercial policies, programs, regulations, and practices that affect demand for U.S. commodities.
- Observe, collect, analyze, interpret, and report on the agricultural economy and trade relations of individual foreign countries; analyze types of trade controls applied; identify and evaluate the factors responsible for the shifts in the volume and kind of U.S. agricultural trade; analyze and evaluate bilateral and other trade arrangements of the countries; report or act on violations of the General Agreement on Tariffs and Trade (GATT); and forestall retaliatory measures against tariffs, quotas, or fees.
- Provide agricultural facts, analyses, and appraisals for use by U.S. government and private groups.
- Collect, analyze, and appraise facts, conditions, developments, and trends that significantly affect availability of complementary commodities to U.S. consumers and importers.
- Analyze and appraise proposals and actions by other government agencies, private and public international organizations, and foreign governments that affect U.S. agricultural interests, objectives, policies, and commitments.
- Interpret U.S. agricultural economy, objectives, policies, programs, regulations, and practices to foreign government officials.

In 1978, the Agricultural Trade Act (Public Law 95-501) authorized higher rank for agricultural attaches by permitting the rank of agricultural counselor. Counselors, consistent with their higher rank, generally have greater experience than attaches and are assigned to larger posts that have significant marketing importance to the United States. The Act also authorized the establishment of up to 25 agricultural trade offices, directed by agricultural trade officers (ATOs), to develop,

expand, and maintain international markets for U.S. agricultural commodities. They conduct broad, complex projects to facilitate foreign agricultural marketing, trade, reporting, and advisory services in a country or area of major economic significance to the United States. The agricultural trade offices also provide a home base for many Foreign Agricultural Service (FAS) sponsored market development cooperators, U.S. exporters, and state departments of agriculture. Specifically, the duties and responsibilities of ATOs as prescribed by FAS are as follows.

- Increase the effectiveness of export promotion through consolidating activities and providing services, market information, and facilities for foreign buyers and U.S. trade representatives.
- Originate and provide assistance for exhibits, sales teams, and other functions to promote U.S. agricultural commodities.
- Develop regular, special, and voluntary reports on agricultural production, marketing, trade, economics, finance, consumption, exchange position, prices, and plant and animal diseases.
- Maintain effective working relationships with importers, exporters, distributors, farm leaders, researchers, and government officials.

The Foreign Service Act of 1980 (Public Law 96-465) authorized the Secretary of Agriculture to use the Foreign Service personnel system in recruiting, hiring, and promoting Foreign Service officers. In November 1980, the Secretary assigned the management of Foreign Service personnel to the FAS Administrator. FAS has established educational, experience, and language requirements for lateral entry, promotion, and commissioning within the Foreign Service.

Recent Legislation

The Agricultural Trade title of the Omnibus Trade and Competitiveness Act of 1988, enacted in August 1988, provides (1) that the FAS Administrator shall ensure that agricultural attaches devote the maximum amount of their time possible to activities designed to increase markets for U.S. agricultural commodities and products and (2) that FAS shall have not less than 900 full-time employees (up from 820 in fiscal year 1988) during fiscal years 1989 and 1990.

The Act authorizes a program to be established for attaches reassigned from abroad to visit and consult with U.S. agricultural producers and exporters and state agricultural officials to discuss methods for increasing U.S. agricultural exports.

The Act also directs the FAS Administrator to submit annual reports to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry on the allocation of agricultural attaches' time during fiscal years 1988 and 1989. The Act authorizes FAS an additional \$20 million for each of fiscal years 1988, 1989, and 1990 for market development activities, (As of January 1989 FAS reports this is still to be funded for the current fiscal year.) including

1. expanding the agricultural attache service;
2. expanding FAS international trade policy activities;
3. enhancing the FAS worldwide market information system;
4. increasing the number of FAS trade shows and exhibitions and upgrading the quality of U.S. representation at such affairs; and
5. developing markets for value-added beef, pork, and poultry products.

The Act also amended subsection (b) of section 1132 of the Food Security Act of 1985 to read that the Secretary of Agriculture shall

1. annually compile the information contained in agricultural attache reports;
2. in consultation with agricultural technical advisory committees, include in the compilation a priority ranking of trade barriers identified in subsection (a) of section 1132 of the 1985 Act by commodity groups;
3. include in the compilation a list of actions taken to reduce or eliminate such trade barriers; and
4. make the compilation available to Congress, the trade assistance office established under section 4602 of the Agricultural Competitiveness and Trade Act of 1988, the agricultural policy advisory committee, and other interested parties.

The U.S. Department of Agriculture (USDA) has established a special office within FAS to develop a plan to facilitate the implementation of the relevant provisions of the Omnibus Trade and Competitiveness Act of 1988.

Attache Activities

FAS attaches¹ are stationed around the world, primarily in U.S. embassies, to promote the marketing of U.S. agricultural commodities. They also gather and assess information on world agricultural trade and production, which is provided to U.S. farmers and traders in FAS publications. Attaches represent the Secretary of Agriculture and coordinate all USDA programs in their countries of responsibility. Attaches are also members of the U.S. embassy team serving under the chief of mission or post ambassador.

Attache activities are directed by the FAS Assistant Administrator, Foreign Agricultural Affairs. He is assisted by six area officers who coordinate all official contacts with U.S. missions abroad and with the attaches. Area officers at headquarters inform attaches of U.S. farm policy and program decisions and assist them in maintaining a work program consistent with those directives. They periodically visit overseas posts to observe, evaluate, and advise attaches.

In fiscal year 1988, FAS operated 65 posts and 14 agricultural trade offices overseas with 103 attaches, who were responsible for representational, marketing, and promotional activities in over 100 countries. In addition, FAS employed about 160 foreign service nationals (FSNs) in over 55 countries.² The FAS fiscal year 1988 budget for the overseas attache program was \$24.8 million—\$21.6 million for general administration and \$3.2 million for marketing activities for specific country projects.

According to the Administrator of FAS, attache activities focus on making the United States competitive in the world market. An FAS analysis of attache activities showed that from July 1985 to June 1987 attaches devoted 19 percent of their time to resource management, 20 percent to policy and representation, 27 percent to agricultural intelligence and analysis, 24 percent to market access, and 10 percent to export competition.

Attaches have much discretion in determining the activities most appropriate for increasing opportunities for U.S. agricultural exports to their countries of responsibility. Attaches told us that their activities varied not only by country but also by the experience and roles of the persons involved and by the size of the posts. At larger posts, counselors and senior attaches tended to conduct more of the resource management and

¹In this report, attache refers to attaches, counselors, and trade officers, unless otherwise noted.

²FSNs are employed at most FAS overseas posts. They perform analytical, information gathering, interpretative, and administrative support duties.

representation activities, such as assisting the ambassadors on agricultural issues and supervising the FSNS, while assistant attaches did more of the gathering and reporting of agricultural intelligence.

Objectives, Scope, and Methodology

The Chairman of the House Committee on Agriculture requested that we examine the FAS attaches' role in planning, coordinating, and reporting overseas market development activities and their qualifications and post locations. In response to this request, we interviewed FAS officials responsible for the management and oversight of the attache program and discussed FAS overseas operations with agricultural counselors, attaches, and trade officers in Europe, North Africa, Central and South America, and Pacific and Asian countries and reviewed their annual work plans and country project statements. We discussed U.S. agricultural trade programs with State Department economic and commercial officers, Commerce Department Foreign Commercial Service officers, Agency for International Development officials, and U.S. Trade Representative officials involved in agricultural trade matters. We also examined personnel documents to determine the qualifications and experience required to become a Foreign Service officer. We analyzed financial data to identify the level and nature of funding for the FAS overseas operations.

We attended FAS attache conferences abroad and the U.S. Agricultural Export Development Council's annual attache conferences in Washington, D.C., and reviewed regional attache conference reports for the last 3 years. We interviewed representatives of cooperator market development groups, host-government officials, and officials of private foreign companies involved in the import or export of agricultural commodities to ascertain the nature and quality of services provided by the attaches.

Our work was conducted in accordance with generally accepted government auditing standards.

Attache Role in Planning for Overseas Market Development Activities

FAS directs its overseas market development activities through a series of formal and informal communications to attaches. It conducts annual conferences between attaches and headquarters managers to develop strategies to implement its agricultural export and foreign market development programs. The Assistant Administrator, Foreign Agricultural Affairs provides guidance to the attaches each year for use in preparing planning documents. One of these documents, the annual work plan, is used by FAS management to judge attache performance. We found that attache planning documents generally reflect the market development strategies appropriate for conditions in the countries to which the attaches are assigned. However, some annual work plans include objectives that are general in nature and not stated in measurable terms so that an attache's performance in accomplishing these objectives may be properly evaluated.

Attaches also work overseas with cooperators in developing their annual market development plans and meet with U.S. producers and exporters to exchange information to assist in their market development and export promotion missions. Overall, the attaches and cooperators in the overseas market development area appeared to be working well together. We found that cooperators appear to be generally satisfied with the assistance they receive from attaches. In addition, FAS in response to congressional concerns has recognized that there is a need for more interface between attaches and domestic agricultural groups interested in market development activities and has pledged to do more within its time, priority, and budget constraints.

Attache Planning Documents

In planning overseas market development work, FAS primarily uses the following attache prepared documents.

- Annual work plans, which identify economic and market conditions in the host country and the post objectives designed to increase U.S. agricultural exports to that country.
- Country project statements, which describe specific market development activities and their costs.

Annual Work Plans

Annual work plans describe how FAS overseas resources will be used to further U.S. agricultural interests and trade policy goals. They encompass both the administrative duties of running the office and the promotion, reporting, and marketing activities. FAS places great importance on these documents since under its appraisal system, their design and

implementation are the primary criteria whereby the performance effectiveness of the heads of overseas offices is judged. The FAS directive to posts on the preparation of annual work plans states that the plans should focus clearly on FAS priorities at the post and must realistically show in detail how the office head envisages meeting stated objectives with anticipated resources.

These plans consist of four sections, agricultural economy and policy, U.S. agricultural interests, post objectives, and attachments detailing administrative and background data.

We reviewed annual work plans for 13 countries¹ and found them to be generally responsive to the market conditions of these countries. In countries where markets existed for high value products, attaches sponsored and/or participated in trade shows and food exhibitions featuring such products. In countries where there was no market potential for high value products because of import tariffs and/or quotas, attaches focused on maintaining or expanding markets for bulk commodities through discussions with government officials on means to improve market access and on the availability of U.S. credit programs. For example:

- In Chile, the import of wheat is an exception to the government's attempt to become agriculturally self-sufficient, so attache work plan activities included advising Chilean officials of the availability of USDA credit programs for wheat and other crops; supporting cooperator trade servicing programs; coordinating with other USDA agencies; finding new importers; and increasing reporting on the competition.
- Belgium, because of its high per capita income and minimal acreage for farming, is a likely buyer of both bulk and high value agricultural commodities. Work plan activities included maintaining and expanding markets for U.S. goods; achieving market access by discussing respective trade policies; increasing contacts with all segments of the agricultural community; and sponsoring promotions for high value products.

FAS guidance for the post objectives section of the annual work plans states that priorities should be defined by order of importance and that each objective should include a description of the means for achieving it and an estimate of the resources needed for each element. We found that the activities and duties contained in some of the annual work plans

¹The 13 countries were Argentina, Brazil, Chile, Mexico, Australia, Hong Kong, Japan, Korea, Malaysia, Belgium, Germany, Morocco, and Turkey.

were described only in general terms and that few of the activities incorporated terms of measurement for determining their success. For example, one country's annual work plan stated that competition with the United States for selling wheat to that country would increase but did not identify any type and number of activities that could be taken to enhance the marketability of U.S. agricultural exports. If such activities were identified in the plan, FAS management would be in a better position to evaluate and advise the post as to the planned type and number of marketing activities and to evaluate the performance of the attaches at year's end in accomplishing these objectives.

In another case we found that activities included under the export expansion and market access performance element were to

- expand cooperator and trade activities and marketing opportunities with government and marketing board officials;
- continue active participation in cooperator strategic planning;
- use export credit programs as marketing tools and to maintain market access; and
- promote exports of value added and processed products.

Another country's work plan listed under the post objective of Market Promotion and Trade Development, "Coordinate market development activities of U.S. commodity groups, state and regional organizations." We believe that the annual work plans could be improved by including specific activities that would allow the measurement of the fulfillment of post planning objectives.

Country Project Statements

Country project statements (CPS) identify specific market development activities to be conducted by the FAS overseas staff. Generally, attaches identify constraints to U.S. imports and schedule activities to overcome those constraints, such as trade shows and consumer awareness promotions in retail markets and restaurants. Attaches conduct some of these promotions themselves or coordinate promotions among several cooperators. Attache support of the Agricultural Information and Marketing Service (AIMS) programs is also included in the CPS. CPS activities generally focus on high value products. Area officers and the Assistant Administrator for Foreign Agricultural Affairs review the CPSs and associated budgets, and the High Value Products Division (HVPD) in the Office of the Assistant Administrator for Marketing and Commodity Programs coordinates and approves them.

The 13 CPSS we reviewed typically included three sections: market situation, activities, and budget. Descriptions of the market conditions were generally short, especially when compared with the extensive analyses in the annual work plans. Some of the CPSS contained numerous market development activities while others included only AIMS activities. The CPSS also usually had a minimum approved budget for unscheduled events, defined by FAS as unforeseen promotions that the counselor/attache initiate to take advantage of a new or improved interest or change in the competitive position of a U.S. product in a market. The CPSS contain standard language for all unscheduled events. For a few countries, primarily U.S. competitors or those with very restrictive import laws, the posts prepared no CPS or very limited ones.

Descriptions of most CPS activities generally included benchmarks and/or provisions for measuring the success of the promotions. For example, one CPS specified that the counselor would participate in the planning and operation of a dairy cattle show to enhance sales of U.S. cattle and semen and would submit reports no later than 60 days after the show closed showing (1) sales at the time of the activity, (2) projected 12-month sales, (3) total and key trade attendance, (4) FAS, industry, and cooperator costs, (5) the number of trade inquiries and comments, (6) recommendations for future such activities, and (7) a follow-up report in 6 months updating and verifying this information.

Since most promotions involve high value goods which are sold in retail markets under brand names or can obviously be traced, such as U.S. dairy cattle, the attaches use sales inquiries, actual sales, and number of new clients as measures of success. In an effort to get the attaches more involved in preparing CPSS in 1987, the Director of the HVPD revised the procedures by asking the attaches (rather than the Washington staff) to research and report on market conditions incountry and to tie their CPS activities more closely to those conditions.

Cooperator Market Development Activities

During our discussions with attaches, they informed us that cooperators² are extremely knowledgeable about their products and helpful in expanding sales of U.S. agricultural exports. Cooperators informed us that they were generally satisfied with attache performance and the quality of assistance that they provided.

²Cooperators are non-profit commodity groups that represent U.S. producers, farmers, and farm-related interests or trade associations conducting market development activities in foreign countries. They are funded in part by FAS.

Attaches are responsible for overseeing cooperator groups in their countries to ensure that they adhere to FAS Cooperator Program guidelines. Attaches also contribute to market development activities through reviewing annual cooperator market development plans and activities. Primary responsibility for implementation rests with U.S. cooperator groups. During the preparation of market development plans, FAS management encourages pre-planning consultations between attaches and cooperators. Annual plans are written and agreements are reached between cooperators and attaches on the type and number of activities to be conducted. Attaches review constraints and evaluate whether the proposed cooperator activities are adequate to address these constraints. After the initial attache review, the cooperator's home office and appropriate FAS commodity groups review and modify the plans as necessary. (See our March 1987 report, International Trade: Review of Effectiveness of FAS Cooperator Market Development Program GAO/NSIAD-87-89.)

Attaches work closely with cooperators in carrying out their market development activities, by (1) providing office space and support services, (2) co-sponsoring food shows, (3) developing in-store and restaurant promotions for U.S. commodities, (4) providing trade leads, (5) developing pamphlets for overseas farmers on the advantages of using U.S. commodities, (6) providing information on U.S. crops and trade problems in the host country, (7) providing up-to-date information on relevant farm legislation, and (8) designing counter strategies for a country's competitive plans.

In the early 1980s, because of complaints from attaches and the findings of an Office of Inspector General report, dated September 1982, the FAS Administrator decided that the administrative burden on attaches was excessive and instituted a strategic planning process to evaluate cooperator program effectiveness. Part of FAS' intention was to eliminate the attaches' role in the day-to-day administration of cooperator program activities and office operations. Specifically, FAS transferred control of project funds from agricultural attaches in U.S. embassies overseas to FAS headquarters and eliminated the attaches' need to review and certify vouchers. This reduced the attaches' coordination with and influence on cooperators' activities while giving the cooperators more independence in carrying out their activities abroad.

At the same time, FAS established a Compliance Staff to review cooperator programs and records to ensure compliance with the guidelines, marketing plans, and sound fiscal procedures. Any expenses incorrectly or

improperly charged to project funds would be reimbursed by the cooperator.

During the latter part of 1984, FAS management was concerned about complaints from several attaches that they had been threatened with reassignment by cooperators when they disagreed with cooperators' programs and activities. In January 1985, the FAS Administrator sent memos to the chief executive officers of U.S. Market Development Cooperators, and to all attaches strongly stating that these threats were inappropriate, were resented by attaches, and were not conducive to maintaining a good working relationship between FAS and cooperators. He emphasized that the attaches had a responsibility to review cooperator programs and he expected "them to carry out that responsibility vigorously and without being intimidated." During our discussions with attaches and cooperators, we did not observe a recurrence of these concerns.

Other Market Development Activities

In a June 1987 report, Senate Report No. 100-77, the Senate Committee on Agriculture, Nutrition, and Forestry discussed the important role that attaches could play in improving U.S. producers' and exporters' knowledge of the demands of foreign purchasers and foreign import practices. Testimony before the committee indicated that this issue could be addressed by conducting regular meetings among U.S. producers and exporters and attaches returning from overseas tours of duty. The Committee recommended that the FAS Administrator develop a program to do this and establish an educational program under which attaches would exchange information on market development and export promotion activities with cooperators, small agricultural businesses, and state agricultural officials to better prepare them for overseas market development and export promotion missions. The need for improved information exchange on overseas market development between FAS and the private sector was also expressed several times in 1985 farm group testimony before the National Commission on Agricultural Trade and Export Policy.

A senior FAS management official informed us that FAS has an informal practice whereby attaches en route to overseas posts may visit cooperators in the United States that are located on their travel route. For example, an attache en route from headquarters to Japan may visit forest product cooperators in the northwest United States. Also, attaches on home leave may visit cooperators located near their home leave addresses. However, attaches returning from overseas posts usually

report directly to FAS headquarters. Also, we were told that FAS is reluctant to establish a formal means to address these issues because of time and funding constraints. An FAS senior management official stated that opportunities for such information exchange exist at the annual attache conferences and the annual conferences held by the U.S. Agricultural Export Development Council. Nevertheless, FAS has indicated that it plans to do more to increase the interface between attaches and domestic agricultural groups interested in market development activities within its current time, priority, and budget constraints. Given these constraints, we believe that FAS has taken positive steps to enhance this interface.

Subsequent to these discussions, the Omnibus Trade and Competitiveness Act of 1988, authorized the establishment of a program within FAS that directs attaches reassigned from abroad to the United States to visit and consult with producers and exporters of agricultural commodities and products and with state officials concerning various methods to increase exports of U.S. agricultural commodities and products. USDA has established an office within FAS to facilitate the implementation of the relevant provisions of the Act.

Conclusions

Attache planning documents generally reflect market development strategies appropriate for market conditions in the countries involved. However, in view of FAS emphasis on the clear identification and prioritization of objectives in the annual work plans and the related allocation of post resources and its direction that the design and implementation of an effective work plan will serve as the basis for appraising attache performance, we believe that more specificity concerning the accomplishment of post objectives is needed to measure achievement. This becomes increasingly important in view of the requirements placed on FAS by the Omnibus Trade and Competitiveness Act of 1988 to submit annual reports to House and Senate Committees describing the allocation of the attaches time and the authorization of additional annual funding of \$20 million for market development activities.

Overall, the relationship between attaches and cooperators in the overseas market development area appears to be working well. Also, cooperators appear to be generally satisfied with the assistance they receive from attaches. FAS, in response to congressional concerns, has recognized that there is a need for more interface between attache and domestic agricultural groups interested in market development activities and has pledged to do more within its time, priority, and budget constraints.

Recently, this interface has been formalized into an FAS program requirement by the Omnibus Trade and Competitiveness Act of 1988.

Recommendation

To improve FAS overseas planning, which is the basis for resource allocation and attache evaluation, we recommend that the Secretary of Agriculture direct the FAS Administrator to have annual work plans include specific activities that allow for measuring the achievement of post planning objectives.

Agency Comments

FAS agreed with our recommendation and stated that it is taking actions to make annual work plans more specific.

Attache Reporting Responsibilities

Under Title VI of the Agriculture Act of 1954 (Public Law 83-690), the Secretary of Agriculture is responsible for acquiring, interpreting, and disseminating information concerning competition and demand for U.S. agricultural products in foreign countries and investigating overseas factors that affect and influence the export of U.S. agricultural products. Historically, FAS has been criticized for requiring attaches to prepare and submit too many reports, adversely affecting the attaches' capability to perform their market development functions. A 1985 revision to the attache reporting system reduced the number of regularly scheduled reports and emphasized timeliness and analyses.

Agricultural attaches stated that collecting, interpreting, and forwarding information to FAS headquarters through regularly scheduled, alert, and special request reports is one of their most important functions. These reports are used both inside and outside of FAS. An FAS working group recently evaluated the overall attache reporting system and made recommendations in the areas of currency of information, marketing and trade emphasis, scheduling, report appraisal, and improving flexibility in constructing and transmitting reports. FAS is currently considering and implementing these recommendations.

Types and Uses of Attache Reports

In calendar year 1987, FAS overseas posts submitted 5,840 reports, including 5,080 voluntary alert reports, and 760 regularly scheduled reports covering about 100 countries. Each of the agricultural trade offices submitted 13 reports, which are included in these numbers. The attache staff located in The Hague submitted the most reports, 463, most of which were alert reports. FAS commodity divisions and other organizations (for example, Foreign Production Estimates Division, International Agricultural Statistics) require reports to cover 20 commodities/commodity groupings. FAS uses these reports for statistical, economic, and other analyses in its weekly, monthly, and annual publications.

The posts averaged 77 alert reports in calendar year 1987. The titles of these alert reports indicate the broad coverage provided by the attache service, ranging from the agricultural effects of the Chernobyl nuclear accident to drought conditions around the world to ministerial changes. Many alert reports provided updates or status reports on agricultural commodities.

Data for regularly scheduled and alert reports is collected through farmers, exporters, importers, and government officials. Attaches often rely

on FSNS to collect and analyze this data, because they provide an element of continuity and generally have continuing contacts with host-government officials. Thus they may more readily obtain information on crop production, supply, demand, and prices than the attaches. Attaches generally verify this information against other sources or trend data before sending it to FAS headquarters.

FAS headquarters distributes the attache reports to requesting FAS divisions and offices to analyze and prepare official publications which are delivered to other government agencies and are made available to the public for a fee. The FAS headquarters staff uses the data in preparing 20 commodity circulars, weekly reports on world production and trade, and world agricultural crop and outlook reports.

Subscribers to these reports include exporters, brokers/traders, manufacturers, importers, and some farmers. The agricultural export community and commodity traders are major users of attache overseas market intelligence reports. In 1987 combined subscriptions increased 12 percent and user fees rose 8 percent over 1986. Free copies are sent to cooperators. It has been proposed that free copies be sent upon request to U.S. government offices and agricultural universities. FAS has 170 subscribers for attache commodity reports. In addition, FAS prepares various international marketing reports from this information to provide exporters with detailed commodity and country specific information.

FAS provides its attache-acquired data to the general public through radio, electronic transmission, magazines, and circulars. Printed documents include the monthly Ag Exporter (formerly Foreign Agriculture magazine), the 20 Circular Series for commodities and groups of commodities, and a Weekly Roundup on world production and trade.

FAS Evaluation of Attache Reports

The FAS commodity divisions evaluate attache reports for how well significant market changes are described; organization, clarity, and conciseness; analysis; statistical sufficiency; conformity with instructions; and timeliness. Over a recent 2-year period, about 91 percent of the reports were rated as superior or proficient, about 6 percent as acceptable, and only about 3 percent as needing improvement. However, because of the difficulty in judging due to the variety of data sources, officials do not rate for accuracy. The FAS Information Officer conducts three or four reader surveys each year to assess user opinions of the 20 commodity circulars. Surveys cover just one commodity or groups of

like commodities, so each of the 20 circulars is assessed about every 5 years.

FAS Reporting System

The current FAS attache reporting system was implemented in early 1985. It was designed to take advantage of new transmission technologies and to ensure that attaches emphasize the analysis and timely reporting of significant events as they happen rather than follow the previous rigid schedule of numerous reports. Attaches were instructed to go beyond mere reporting by analyzing the events and making conclusions about their significance for U.S. trade prospects in that market and/or in third-country markets.

The new system's principal purposes were to enable U.S. policymakers to respond more accurately to the current world agricultural situation and to assist those responsible for the export assistance programs to make better informed decisions and allocations of the programs' scarce resources. It reduced the number of regularly scheduled quarterly and semiannual reports and incorporated alert reports of significant events, in-depth annual commodity reports, overall annual agricultural situation and market analysis reports, and regular monthly trade data reports for selected countries. Completed reports are sent to FAS headquarters through computerized, electronic, and standard mailing systems.

FAS Review of Reporting System

In the fall of 1986, FAS established a working group, composed of commodity division deputy directors, to study the timing, content, and responsiveness of the new attache reporting system. This group identified the following issues as needing attention.

Need for Monthly Updates

Information gaps had developed in meeting FAS reporting needs. Specifically, monthly reports on production, supply, and distribution for certain commodities were not being received on time; the "alert/update" system worked well for major grains but not for some oilseeds and cotton, was providing limited and insufficient information for other commodities, and information was not being updated to reflect the current situation. In August 1987, a cable was sent to the overseas posts directing them to keep publications deadlines for grain, soybeans, and cotton and other commodities in mind; major producer/trader posts

were directed to provide headquarters with the latest production, supply, and distribution data and summary comments in time to be incorporated into scheduled publications plans, since the end users needed this information.

Emphasis on Marketing and Trade Policy

FAS was concerned that marketing opportunities, trade policy constraints, and trade barriers were not being emphasized sufficiently. In addition, FAS needed to determine the best way to report information to satisfy the new requirements of Section 1132 of the Food Security Act of 1985 (Public Law 99-198). Section 1132 requires attaches to report annually on (1) foreign country programs that provide direct or indirect government support for the export of agricultural commodities and (2) other trade practices that impede the entry of U.S. agricultural commodities into foreign countries. The Secretary of Agriculture is required to compile this information and prepare annual reports to the Congress.

FAS has sent a message to all posts directing them to review the marketing and trade policy sections of the instructions for all regularly scheduled reports to ensure that in future reports these sections cover the items in the reporting instructions. The message stated that more information was needed in these sections because of the upcoming multilateral trade negotiations, the increasing number of USDA programs, and the needs of various agricultural advisory groups.

Frequency of Regularly Scheduled Reports

A survey of the commodity divisions showed that the report schedule made it difficult to maintain data integrity and that significant changes were not being reported. Under the new reporting system, monthly status reports and monthly alerts were not keeping the commodity divisions responsible for grain, oilseeds, and cotton (lock-up commodities) as well informed as they had been under the prior system. For other commodities, one annual report was not enough.

On February 17, 1988, the Deputy Assistant Administrator, Commodity and Marketing Programs wrote to the division directors that it had been agreed to examine whether to selectively re-introduce reporting for commodities other than grain, oilseeds, and cotton if ways could be found to reduce the reporting workload in other areas. Also, no decision had been made on a recommendation to reinstitute semiannual update reporting for some lock-up commodities in selected countries.

Revision of Report Appraisal Process

An FAS survey concluded that too many appraisals were requested, given the time available, and that the quality of appraisals was diminished partly because of this and partly because of the format of the appraisals.

This survey focused on (1) determining the optimum number of appraisals, (2) reformatting the form to reflect the end use of the report and to include marketing opportunities and trade policy constraints, and (3) improving the point system being used and developing separate formats for required and voluntary reports.

In December 1987, the Reports Appraisal Committee submitted new appraisal forms for scheduled annual commodity reports and unscheduled alert commodity reports to the FAS Reports Committee. In January 1988, the Reports Committee ruled that the forms submitted were too complicated and would be revised. A new appraisal form has been adopted which places increased emphasis on reporting on market opportunities and trade policy issues.

Enhanced System Flexibility

FAS believed that the current system was capable of being more flexible in constructing and transmitting reports and that attaches should be given more flexibility in writing narratives. FAS wanted to identify and delete those required sections that seemed less essential to allow more coverage of marketing opportunities and price information. It also wanted attaches to be able to transmit and enter monthly update changes in the same way, including voluntary reports. FAS officials told us that this effort will be delayed about 15 to 18 months because programmers are currently involved in system changes resulting from changing computer contractors. Recommendations on most of these issues have been made to FAS, which is considering and implementing these recommendations.

Agricultural Information and Marketing Service

Attache reports are also used in preparing newsletters and transmitting trade data to potential U.S. exporters as part of the Agricultural Information and Marketing Service. AIMS is a computerized communication system which offers U.S. exporters trade leads, product publicity newsletters, foreign importer listings, international marketing profiles, executive export services, and buyer alert notices. The most important of these services is the handling of trade inquiries from foreign importers for specific products. In calendar year 1987, attaches sent about 4,060

trade leads covering 68 countries; attaches in 10 countries accounted for 68 percent of the trade leads.¹

Attaches collect trade leads through their contacts with foreign companies, government agencies, brokers, and distributors and through trade shows and trade journals. Once the trade leads are sent to headquarters, attaches have not been involved in monitoring them to develop information on their effectiveness. FAS officials told us that it is a difficult and complex task for attaches to determine whether trade leads resulted in sales and that the time it takes for this effort hinders the performance of other attache functions. However, after a hiatus of 3 years because of workload considerations, FAS has returned to tracking the value of trade leads. In July 1987, FAS instructed posts to report each year the total number of trade leads sent to headquarters and to report the number returned to posts due to incompleteness no later than 2 weeks after the end of the fiscal year. Posts were also instructed to conduct follow-up surveys of firms submitting trade leads and send the results to headquarters at the same time. These results were to include the number of U.S. company replies received by foreign country importers from all trade leads and the total amount of sales from all trade leads.

An FAS representative informed us that although the instruction did not indicate a fiscal year, FAS intended that the reports would be submitted starting at the end of fiscal year 1988.

In 1985, FAS published an independent panel report on AIMS after it had been underway for 18 months. The panel, composed of experts outside of USDA, found that AIMS met its initial objectives of expanding the types of marketing services available to U.S. exporters, increasing trade lead activity and the number of firms receiving trade leads, expanding agricultural trade office automation support, and improving the timeliness of trade leads. The panel recommended that FAS define the client market for AIMS services and segment the high value products sector into priority groups for future market development. It further stated that FAS has unique resources not readily available in the private sector and must overcome the reluctance of private industry to work with government and to promote its capabilities effectively.

An FAS official informed us that no followup was made on the AIMS report and that in the summer of 1987 FAS decided to contract with a

¹The countries were Taiwan, Japan, United Kingdom, Kuwait, Oman, United Arab Emirates, Egypt, Bahrain, Canada, and Hong Kong.

private firm to respond to the report. However, FAS has not finalized this contract because it is considering the broader issue of contracting out the entire AIMS function to improve the system's service and save money.

Conclusions

Historically, FAS has been criticized for requiring attaches to prepare and submit too many reports, adversely affecting the attaches' capability to perform their market development functions. A 1985 revision to the attache reporting system reduced the number of regularly scheduled reports and emphasized timeliness and analyses. An FAS working group's recent study of the reporting system included recommendations in the areas of currency of information, marketing and trade emphasis, scheduling, report appraisal, and improving flexibility in constructing and transmitting reports. Recommendations on most of these issues have been made to FAS, which is considering and implementing them.

Attache Role in Coordinating Overseas Agricultural Activities

Attache coordination with other USDA agencies overseas needed improvement and USDA has recently taken some corrective action. The Secretary of Agriculture has reissued to relevant USDA agencies the Departmental regulation addressing coordination, confirming that FAS is the lead agency in dealing with foreign countries in all agricultural matters. Representatives of these agencies participate with FAS in attache area conferences.

Attache coordination with representatives of other U.S. government agencies overseas varies from country to country and depends to a great extent upon the importance of agricultural trade, food aid, and related issues in the host country, the personalities of the attaches and their counterparts, and the management style of U.S. ambassadors.

Intra-Agency Coordination

During a May 1986 regional attache conference, FAS established a study group to develop an integrated USDA-industry approach to coordinate the large number of USDA and industry programs to maximize market development effectiveness. The group concluded that a coordinated effort by USDA agencies could support the private sector in eliminating or reducing the effects of most agricultural constraints or needs ranging from the development of new products by the Agricultural Research Service, improving the quality of exports by the Federal Grain Inspection Service and the Animal and Plant Health Inspection Service, facilitating transportation of export products by the Office of Transportation, improving market access by these agencies, and enhancing FAS market promotion.

The study group concluded that FAS' limited resources could not adequately support ongoing U.S. agricultural trade activities worldwide and also initiate needed activities for a wide variety of high value products without full cooperation and assistance from other agencies within USDA. Also, an FAS official informed us that the other agencies did not always notify the attache of visits to the host-country where agricultural related work would be performed. The group recommended that FAS develop ways to improve coordination between various USDA agencies and to maximize export expansion effectiveness of the various agency programs abroad.

The Secretary of Agriculture in October 1986, reissued departmental regulation 1051-1 to the assistant secretaries and administrators of other USDA agencies, which confirmed the established Departmental policy that FAS is the lead agency within USDA in dealing with foreign countries on all agricultural matters. The Secretary stated that he and the

ambassadors look to the attaches to coordinate all USDA programs in their countries of responsibility. He also stated that the FAS area officers are the key contacts at headquarters for USDA officials regarding foreign travel, visitors, communications and overseas staffing. Specifically, he stated that FAS should be advised of foreign travel plans and consulted with, in advance, before initiating any agreements with foreign governments. An FAS official informed us that improvements have been noted in the notification of attaches of foreign visits by other USDA representatives. Additionally, to improve USDA coordination, FAS has invited other USDA agencies with international activities to participate in the FAS regional strategic planning conferences.

Interagency Coordination

Attaches work also with representatives of other U.S. government agencies, including the Department of State's Agency for International Development (AID), Department of Commerce's U.S. and Foreign Commercial Service (US&FCS), the U.S. Trade Representative (USTR) and the U.S. Information Agency (USIA). FAS officials stated that the type of interaction varies by country and is usually informal.

Below are examples of attaches' coordination with these government agencies.

- US&FCS is responsible for promoting exports of non-agricultural products so attache coordination takes place when these products are related to agriculture, such as tractors, fertilizer and irrigation pumps. On occasion, US&FCS representatives and attaches will jointly conduct trade shows and exhibitions.
- Coordination is important between the agricultural attache and the AID representative in administering Public Law 480 food aid since the program's objective is to promote a country's economic growth and expand export markets for U.S. agricultural commodities. Also, commercial agricultural programs, such as the Export Enhancement Program and export credit guarantee programs, could have an impact on U.S. food aid programs and therefore need to be coordinated incountry. The extent of coordination depends on the circumstances within each country, which includes the relative importance of food aid and commercial agricultural export programs, perceived potential for market growth, and the attaches' relationship with the AID mission.
- USIA officials assist attaches in advertising and promoting agricultural activities. Attaches assist USIA activities by distributing USIA materials when traveling incountry and nominating candidates involved in agriculture to the USIA Foreign Visitor Program, where participants take

part in and become familiar with agriculture programs in the United States.

The degree of coordination between these agencies varies by post, depending on the extent, significance, and type of agricultural trade carried on by the host country. Attache coordination in developed countries, for example, is primarily with US&FCS because it is primarily trade-oriented, whereas AID is the principal contact point in developing countries because food aid is of more significance than trade. Also, the level of coordination depends to a great extent on the personalities of the individuals involved and the management style of U.S. ambassadors.

Representational Activities

Attaches regularly meet with U.S. agricultural visitors. They coordinate meetings between U.S. business and trade groups and host-country importers. During a 14-month period, attaches in the five countries we examined in the Far East provided services for about 5,000 U.S. visitors. A counselor from a South American country stated in his annual work plan that travel plans should ideally be dictated by office priorities, however, visitor schedules often override office travel plans as the purpose of every trip his office staff made during that year was to accompany visitors. In another South American country we were told that hosting visitors was one of the more time consuming activities of the counselors and attaches as they had hosted about 500 visitors during the year. Attaches have told us that heavy representational demands have, to some extent, impaired their ability to provide more attention to planning, market development, and reporting.

Agricultural Trade and AID Mission Program

The Congress, as part of the Budget Reconciliation Act (Public Law 100-202) enacted in December 1987, authorized the Agricultural Trade and Aid Mission Program to encourage greater U.S. private sector and foreign country participation in U.S. agricultural trade and aid programs. The intent was to achieve an integrated approach for enhancing U.S. exports by better coordinating all U.S. food aid and agricultural trade programs. The attaches have a pivotal role in planning and coordinating the activities of the missions and arranging meetings between the mission teams and representatives of the private and government sectors of their host countries.

A mission coordinator from FAS was selected to manage the required missions to 16 eligible countries in 1988 which were to include representatives from USDA, State, and AID along with three to six private sector representatives of market development cooperators, tax-exempt nonprofit agribusiness organizations, private voluntary organizations, and cooperatives. The objectives of the missions were to

- meet with appropriate foreign and U.S. representatives in each country to assist in planning the extent to which U.S. trade and aid could be used to meet the food and economic needs of the country;
- provide technical expertise and information on U.S. agricultural commodities, trade and aid programs, and other assistance; and
- help to obtain firm commitments for food aid programs and commodity sales.

At the time of our review it was too early to determine the effectiveness of this effort in enhancing U.S. agricultural exports.

Conclusions

To improve attache coordination with other USDA agencies overseas, the Secretary of Agriculture reissued the Departmental regulation confirming that FAS is the lead agency in dealing with foreign countries in all agricultural matters. Representatives of these agencies participate with FAS in attache area conferences. Attache coordination with representatives of other U.S. government agencies overseas, such as Commerce, AID and USIA, varies from country to country and depends to a great extent upon the importance of agricultural trade, food aid, and related issues in the host country, the personalities of the attaches and their counterparts, and the management styles of U.S. ambassadors.

Attache Qualifications

The Foreign Service Act of 1980 (Public Law 96-465) authorized the Secretary of Agriculture to use the Foreign Service personnel system for FAS employees. In November 1980, the Secretary of Agriculture delegated to the FAS Administrator responsibility for classifying and designating career Foreign Service personnel positions, establishing qualifications for such positions, and recruiting, hiring, training, and promoting personnel in the FAS Foreign Service. Attaches appear to possess acceptable levels of education and experience when they are initially accepted as FAS Foreign Service candidates. However, the majority of attaches seem to fall short in their ability to professionally communicate in the principal foreign language practiced in their host countries. For members of the Foreign Service, the importance of communicating at a professional level with residents in their countries is a basic and necessary skill.

Commission and Assignment Process

The Foreign Service Act of 1980 prescribed the establishment of selection boards to review the qualifications of candidates for the Foreign Service and to recommend whether to accept, commission, and promote them. FAS uses three boards for these purposes.

- A 15 member Board of Examiners appointed by the President, which administers the oral and written examinations to screen applicants and ensures that the system is validated and has no adverse impact on equal opportunity.
- A Commissioning Board, consisting of four members of the FAS Foreign Service and one non-USDA member of the Board of the Foreign Service, which determines whether or not to offer a career candidate permanent commissioning as a Foreign Service Officer.
- Selection Boards, consisting of four FAS or USDA Foreign Service Officers and a public member, which make recommendations for accepting candidates and for promotions, awards, within-class pay increases, and other personnel actions.

Our review of the Commissioning and Selection Boards appointed by FAS over a recent 5-year period indicates that FAS generally adhered to the membership criteria.

An applicant for the FAS Foreign Service must have at least one year of service with FAS at the GS-11 or 12 level and at least a bachelor degree in agricultural economics, agricultural marketing or general agriculture. Once accepted into the Foreign Service candidacy program, the candidate has 5 years to become permanently commissioned.

The Foreign Service career candidacy program provides training, assignment, counseling, and evaluation to enable candidates to demonstrate, through on-the-job experience, a propensity for and capability to serve successfully as career Foreign Service officers. Language training is usually provided by the State Department's Foreign Service Institute in Washington, D.C., or at overseas embassies during the first year of assignment. Training for the romance languages (e.g., French, Spanish, and Italian) takes up to 24 weeks and for the hard languages (e.g., Russian, Chinese, and Japanese) up to 44 weeks. The training also includes about 80 hours of supervisory courses, orientation, area studies, and basic automated data processing.

To be commissioned, FAS Foreign Service candidates must achieve speaking and reading proficiency levels¹ of S-3/R-3 for romance languages and S-2/R-2 for harder languages, such as Polish, Russian, and Turkish. For languages that have a difficult writing system, specifically Arabic, Chinese, Japanese, and Korean, FAS deleted the reading proficiency requirement and commissioning depends on an S-2 rating. Candidates must achieve the proficiency level for their commissioning language within 5 years of their limited appointments.

According to the Deputy Assistant Administrator, Foreign Agricultural Affairs, the candidate's first overseas assignment is usually as an assistant attache for 2 to 3 years. Assignments to hardship posts, such as Moscow, Lagos, and Bogota, are for 2 years. The candidate is then assigned to another overseas post or back to headquarters. For career counselors or attaches, overseas assignments are usually for two 2-year terms with 30 days home leave between terms. Factors considered in post assignments are the individual's preferences; the needs of the Foreign Service; job experience, e.g., work in the trade policy area would be favorable for an assignment to Brussels; language proficiency; education and grade; and prior assignment to hardship posts. In cases where an assignment is made because of a sudden, unscheduled situation, language proficiency would play a key role in the selection decision. Announcements are usually made in the fall for assignments to be made in the following summer to allow for training in the romance languages.

¹Rating based on a 0 to 5 language proficiency scale, with 0 being the lowest rating and 5 the highest. The Foreign Service Institute defines the S-3/R-3 level as "professional proficiency" with speaking and reading capabilities, as follows: S-3 - able to speak the language with sufficient structural accuracy and vocabulary to participate effectively in most formal and informal conversations on practical, social, and professional topics. R-3 -able to read standard newspaper items addressed to the general reader, routine correspondence, reports and technical material in his/her own special field.

Announcements to hard language countries are made earlier so that language training may begin in August of the year proceeding the assignment date.

A Personnel Advisory Committee composed of top management FAS officials considers the following factors in approving first-post assignments.

- A reasonable expectation that the candidate will be able to become language qualified before the career candidacy program is completed.
- A candidate who does not speak a hard language is usually assigned as an assistant for one term, then as head of a small post if the candidate has demonstrated the ability to head an office.
- A candidate who speaks a hard language is normally assigned for two or more terms if the candidate can be reassigned during that time to head a post and continue to use the language.

For subsequent assignments, the Committee is guided by the following provisions.

- No assignment is made without sufficient language training in advance for FAS to have reasonable expectation that the candidate assigned can attain language qualification for commissioning within 2 years at the post.
- A normal assignment as head of a post is 4 years; hardship posts are usually 3-year assignments.
- Transfers between overseas posts normally will not be made except after a 2 or 3 year first assignment.
- A candidate initially assigned to a hard language post and demonstrating satisfactory progress in the language will be given preference in subsequent assignments as a first time office head at a post with the same language.
- A candidate trained in a hard language is expected to serve at least two 4-year assignments during his/her career at posts where he/she can use the language, except when there is only one position where the language can be used.

When assigning attaches back to headquarters, the Personnel Advisory Committee usually considers the attaches' work area preferences and previous work experience in determining whether additional specialization or a broader management experience is desired. Counselors are usually assigned to deputy positions at headquarters divisions; as a result, they are more difficult to assign than lower graded attaches since there are fewer of these positions available. The attaches are generally

assigned as analysts in these divisions. During the assignment at headquarters, which is usually 2 to 4 years, the attache has the opportunity to participate in government and private management and exchange training programs, FAS-sponsored data processing and language training courses, and work-related graduate and under-graduate courses paid for by FAS.

Foreign Service officers, including those in the candidacy program, are eligible for promotion after serving the requisite time-in-class requirements. Candidates are considered by the Selection Board annually in the same competitive group as career officers. Candidates must satisfy language requirements prior to a second promotion or recompute for the promotion if the language requirement is not achieved prior to the convening of the next Board.

At about the 3-year mark of a candidate's program, the Commissioning Board considers the candidate for permanent commissioning as a Foreign Service officer. Criteria include the candidate's demonstrated potential to perform effectively in an FAS overseas assignment. If the candidate is not accepted after the initial review, the Commissioning Board will conduct a subsequent review 12 months later and, if necessary, 60 days prior to the expiration of the candidate's limited appointment. Candidates not commissioned are separated from the Foreign Service and reinstated as FAS civil service employees. During the last 7 years, 34 candidates became eligible for commissioning; 30 were commissioned, and 4 were terminated and converted back to Civil Service status.

The Agricultural Trade Act of 1978 (Public Law 95-501) authorized the Secretary of Agriculture to appoint Agricultural Trade Officers (ATOs) who, by reason of their training, experience, and attainments, were qualified to carry out marketing and promotion programs without regard to the competitive procedures generally applied for entry to the Foreign Service. The ATO's primary function is to stimulate overseas markets for U.S. commodities through trade servicing and product promotion activities. Currently, the FAS has two ATOs employed under this program. FAS officials informed us that they seek applicants with academic backgrounds in agricultural economics, since they believe that this type of individual is better qualified to handle the broad spectrum of attache functions ranging from administration to reporting to policy analysis.

Language Proficiency Requirements

Experts agree that the ability of Foreign Service personnel assigned overseas to professionally communicate in the principal foreign language of their host country is a necessary skill in successfully performing their duties and responsibilities. It is this skill that distinguishes the Foreign Service from other professions. A congressional staff study noted that a Foreign Service officer can represent the United States effectively only if the officer has a useful knowledge of the language of the country. Further, Section 702 of the Foreign Service Act of 1980 states that

“The Secretary shall establish foreign language proficiency requirements for members of the Service who are to be assigned abroad in order that Foreign Service posts abroad will be staffed by individuals having a useful knowledge of the language or dialect common to the country in which the post is located.”

Although FAS has established proficiency levels for the commissioning language, it has not set minimum levels of proficiency for the principal foreign language of the country to which the attache is assigned. The Deputy Assistant Administrator, Foreign Agricultural Affairs, stated that FAS has an informal policy that attaches should have a level 3 proficiency in the principal language of their host country. He stated that this level is sufficient for attaches to perform general business activities, such as gathering information on crop production and trade, but that a higher proficiency level is required to conduct sensitive or technical negotiations.

In addition, various counselors, attaches, and an ATO indicated the importance of being able to effectively communicate with the host-country residents. For example, an attache posted in Abidjan, which covers six countries in Africa, emphasized the importance of communicating in French because English is not spoken in that area. Also, an attache at a Far East post stated that the inability to communicate in the host-country language was a limiting factor in performing attache functions.

By comparison, the State Department has established language proficiency levels for certain language-designated positions which an incumbent must achieve before reporting to an overseas post. If the person has not achieved the required level of proficiency, State must waive the language requirement and report this to Congress. In 1985, 41 waivers were issued out of 1,634 language designated positions. In 1986, State

issued 16 waivers² out of a total of 1,782 Foreign Service language designated positions. According to a State Department personnel official, generally one-third of the total language designated positions are up for reassignment each year.

A document included in FAS guidance for its foreign language incentive awards program notes that the State Department has recognized that the 3 level is not adequate for its more sensitive positions and was developing instructional programs to carry its people beyond the 3 level. The document stated that FAS believes there is a direct link between superior language skills and superior performance and that too many people have “rested on their laurels” at the 3 level, which in some cases has adversely affected both their performance and their career prospects.

To determine the language proficiency of 93 attaches assigned as of September 1987 to countries with a principal foreign language we examined their language proficiency ratings as of July 1987 and found that only 24, or 26 percent, of these attaches had at least an S-3/R-3 proficiency level in the principal language of their host countries. As a comparison, we analyzed an October 1987 list of 1,021 State Department Foreign Service personnel assigned to all overseas language designated positions requiring at least an S-3/R-3 proficiency level in the principal language of the host country and we found that 676, or 66 percent, of the incumbents had achieved test scores that matched or bettered the language requirements for these positions.

During our visits to 16 countries in 1986, we found that 17 of the 32 assigned attaches did not have S-3/R-3 proficiency in the principal language of their host countries, 12 had at least S-3/R-3 proficiency, and 3 were assigned to English speaking countries. In 6 European and African countries visited, 7 of 9 attaches had some language skills, although not necessarily at the commissioning language levels. For example, (1) the counselor in Morocco had an S-2/R-2 rating in French, the standard language, (2) the counselor in West Germany had an S-4/R-3+ rating in German, but (3) neither the attache nor the ATO posted in Turkey had ratings for Turkish. FAS pointed out in its comments on a draft of this report that, until recently, training in Turkish has not been provided. Also, 6 of the 11 attaches assigned in Mexico and four South American

²A waiver is required when an individual assigned to a language designated position does not satisfy the level of competence necessary to carry out the responsibilities and has insufficient time to acquire fluency in the language prior to reporting to post.

countries had proficiency ratings of at least S-3/R-3 in their relevant foreign languages.

In 1980, we reported on the competence in foreign languages of federal personnel for the eight civilian departments and agencies that accounted for the most civilian language essential positions overseas. Our report generally concluded that persons were assigned to positions for which they did not have the required language proficiency and that this deficiency could adversely affect the performance of employees and cause significant problems in the operation of federal programs and activities abroad.

In measuring the success of agencies in filling their language essential positions, we rated each agency against its own self-identified requirements. We found that the departments and agencies with the largest number of overseas positions, the Department of State, International Communication Agency, and Agency for International Development, had 71, 70, and 73 percent of their respective language essential positions adequately filled in 1979. FAS only had 36 percent of its overseas positions adequately filled.

A 1984 internal FAS study of the performance and training of attaches, based on responses from over 130 exporters, cooperators, state marketing officials, shippers of agricultural products, and others, found that attaches needed to improve their skills in the use of local languages. In fact, of 11 categories of knowledge, skills, and abilities evaluated in this study, the lowest overall rating was given to the attaches' use of the local language, for which 32 percent of the attaches received "weak" ratings from the respondents. This compared to the next lowest ranked category, for which 20 percent of the attaches received "weak" ratings in ability to identify local market opportunities. The study concluded that the highest priority should be given to improved training in foreign language. According to a senior-level FAS official, FAS agreed with the study's recommendations, particularly improved foreign language training. Another senior-level FAS official told us that FAS at one point was drafting a regulation on foreign language training but that it had never been finalized. He could not tell us the current status of this effort or why it had not been finalized.

FAS officials gave us the following reasons why attaches had not achieved the S-3/R-3 foreign language proficiency level.

- The attache had not yet completed 5 years of foreign service, the minimum time allowed to achieve the language proficiency (the case in Morocco and many South American countries).
- The attache was commissioned in a language different from that required in the current post and was just now receiving the pertinent training (the case in most Pacific and Asian countries).
- The attache was commissioned under different standards prior to current language requirements.
- The attache was posted in a country where English is the primary language or is readily accepted in the business community, having been commissioned in a different, second language (the case in Korea and Hong Kong).

Also, FAS officials pointed out that it may not always be cost-effective to provide language training, because English is spoken and accepted as a business language in many countries and there are many dialects and deviations from the basic language that is taught. Also, FSNS can readily provide the translations needed to gather and read data written in a foreign language. However, it would appear that FSNS may not be effective in providing interpretive services to attaches in sensitive negotiations with foreign representatives unless they are thoroughly familiar with and knowledgeable of U.S. agricultural policies and procedures.

In response to our query, the Deputy Assistant Administrator, Foreign Agricultural Affairs, stated that the need for language proficiency is greatest in such countries as the Soviet Union, France, West Germany, Spain, China, Japan, Italy, and Portugal and in many Latin American countries. In the Soviet Union, FAS has no FSNS on post; and in the other countries the principal language is used extensively in business negotiations.

During a recent meeting, FAS management officials expressed surprise at these statistics on attache language proficiency and indicated that over the past few years FAS attaches are on an upward trend concerning language proficiency, especially new appointments. They stated that new hires have had increased language training and/or prior language experience.

FAS has also established a foreign language incentive program to encourage Foreign Service members and candidates to maintain or acquire language proficiency beyond that needed for commissioning. Under the program, FAS pays cash bonuses and incentives for increased proficiency in world languages and for minimum proficiency in "one-

tour” languages (Swedish, Greek, Turkish, Thai, Serbo Croatian, Malaysian, Urdu, Danish, and Dutch) and “hard” languages (Russian, Arabic, Korean, Japanese, Polish, and Chinese). Since the program began in November 1986, FAS has paid about \$44,000 in bonuses and incentives to 11 attaches through March 1988.

Conclusions

Attaches generally appear to possess acceptable levels of education and experience when they are initially accepted as FAS Foreign Service candidates. However, the majority of attaches seem to fall short in their ability to communicate effectively in the principal foreign language practiced in their host countries. For members of the Foreign Service, the importance of communicating at a professional level with residents in their country is a basic and necessary skill. FAS management indicated an awareness of this problem and stated that language proficiency has been a major consideration in their recent hires.

Recommendation

To enhance attache performance overseas, we recommend that the Secretary of Agriculture direct the FAS Administrator to ensure that attaches assigned to overseas posts are able to effectively communicate with host-country officials in their principal language.

Agency Comments

FAS agreed with our recommendation and stated it is taking actions to provide more language training for attaches.

FAS Location of Overseas Posts

FAS' primary criteria for locating overseas posts is the country's present and/or potential market for U.S. agricultural products. However, FAS cited two exceptions to this rule. First, posts would also be located in predominant competitor countries, such as Argentina and Australia, where the goal is to stay informed on U.S. competition. Second, posts would also be located in Brussels to focus primarily on the European Community's trade policy and in Geneva to participate in GATT activities. The criteria also state that countries are to be assessed for level of representation needed, importance as a source of supply and market intelligence, and strategic position. FAS criteria states that the future market potential of a country should be determined by collecting and analyzing information on (1) total agricultural imports and exports, (2) U.S. agricultural exports to and imports from the country, (3) population and rate of growth, and (4) gross national product per capita and rate of growth.

We found that FAS generally applies this criteria in its posting decisions. For example, FAS has posts in 45 of the 50 countries to which the United States exported more than \$78.8 million worth of agricultural exports during fiscal year 1987, and the other 5 countries were covered by posts not located in those countries.

The Agricultural Trade Act of 1978 (Public Law 95-501) provides that ATOs should be located in cities to facilitate foreign trade meetings and needs for marketing assistance. This law also states that agricultural counselors, the highest ranking overseas USDA officials, should be posted in any country which has (1) a substantial number of representatives of other governments present that compete directly with the United States for agricultural markets or (2) great potential for long-term expansion of a market for U.S. agricultural commodities and intense competition with other nations for agricultural markets. We found that FAS generally applies this criteria in its posting decisions.

FAS officials stated that because opening or closing posts is very expensive, decisions on post locations are based on long-term trends rather than on short-term marginal changes in market conditions. For example, the downturn in petroleum prices has limited the ability of some oil producing countries to buy agricultural commodities, but FAS will maintain posts in those countries anticipating a return to an improved economic situation and consequent increased agricultural imports.

FAS divides its coverage of world markets into four areas: (1) Europe, (2) the Western Hemisphere (North, South, and Central America), (3) Near

East, South Asia, and Africa, and (4) Southeast and East Asia and the Pacific. In 1988, FAS had 31 posts and 95 personnel in the European countries and an average of 16 posts and 56 personnel in each of the other regions. FAS believes that it is important to maintain a significant proportion of its resources in European countries because, historically, they have imported significant amounts of U.S. agricultural commodities. In addition, many European countries compete with the United States and posts are maintained in Brussels to focus on the European Community's trade policy and in Geneva to focus on GATT multilateral trade negotiation issues. However, as shown in table 6.1, during the past 15 years FAS has slightly increased staffing and posts in Asian and African developing countries to accommodate existent and potential economic growth while staffing has had a corresponding decrease in Europe.

Table 6.1: Changes in FAS Post Locations and Staffing

| Area | Posts | | | | Staffing | | | |
|---|-----------|----------|-----------|----------|------------|----------|------------|----------|
| | 1973 | | 1988 | | 1973 | | 1988 | |
| | No. | Per-cent | No. | Per-cent | No. | Per-cent | No. | Per-cent |
| Europe | 24 | 38 | 31 | 39 | 117 | 43 | 95 | 36 |
| Western Hemisphere | 17 | 27 | 15 | 19 | 64 | 24 | 57 | 22 |
| Near East, South Asia, and Africa | 12 | 19 | 17 | 22 | 41 | 15 | 48 | 18 |
| South East and East Asia, and the Pacific | 10 | 16 | 16 | 20 | 49 | 18 | 63 | 24 |
| Total | 63 | | 79 | | 271 | | 263 | |

Source: 1973 data from GAO report ID-75-40, Apr. 1975. 1988 data from FAS July 1988 figures.

Cooperators Collocate With FAS Overseas Posts

FAS involves private sector agricultural interests in its overseas market development activities through its cooperator program. Cooperators, nonprofit commodity groups representing producers, farmers, and farm-related interests of trade associations, who maintain overseas offices tend to select cities in which FAS maintains ATO or attache offices. For example, 5 U.S. cooperators were collocated with the ATO in Venezuela, and 4 were collocated in Germany. When selecting locations, cooperators consider host-country marketing opportunities, economic and operational costs, degree of political stability, geographic position (i.e., central location with flight connections to other markets), and legal constraints (such as hiring of local nationals). Both FAS and the cooperators are involved in collocation decisions.

Conclusions

FAS has generally located posts in accordance with its established criteria and does so on a long-term basis. The largest complement of the staffing is located in Europe; however, over the last 10 to 15 years, the percentage of staffing in third world countries has increased to accommodate existent and potential economic growth. Also, when cooperators are locating overseas offices, one of their major considerations is the location of attache posts.

List of FAS Posts and Number of Personnel Assigned Abroad (July 1988)

Area I - Europe

| Country/city | Counselors | Attaches | ATOs | FSNs |
|---------------------------------------|------------|-----------|----------|-----------|
| Non-European Community: | | | | |
| Austria, Vienna ^a | 1 | • | • | 1 |
| E. Germany, Berlin ^a | • | 1 | • | 2 |
| Israel, Tel Aviv | • | • | • | 1 |
| Poland, Warsaw ^a | • | 1 | • | 1 |
| Sweden, Stockholm | • | 1 | • | 3 |
| Switzerland, Bern | 1 | • | • | 2 |
| Switzerland, Geneva ^a | 1 | • | • | • |
| Turkey, Ankara | 1 | • | • | 2 |
| Turkey, Istanbul | • | • | 1 | 2 |
| USSR, Moscow ^a | 1 | 2 | • | • |
| Yugoslavia, Belgrade ^a | • | 2 | • | 2 |
| Hungary, Budapest | • | • | • | 1 |
| Romania, Bucharest | • | • | • | 1 |
| Turkey, Izmir | • | • | • | 1 |
| European Community: | | | | |
| Belgium, Brussels ^b | 1 | • | • | 2 |
| Belgium, Brussels USEC ^{a,b} | 1 | 3 | • | 1 |
| Denmark, Copenhagen | 1 | • | • | 3 |
| England, London ^a | 1 | 1 | • | 2 |
| England, London | • | • | 1 | 2 |
| France, Paris ^a | 1 | 2 | • | 4 |
| W. Germany, Bonn ^a | 1 | 1 | • | 4 |
| W. Germany, Hamburg | • | • | 1 | 2 |
| Greece, Athens | • | 1 | • | 2 |
| Ireland, Dublin | • | • | • | 1 |
| Italy, Rome ^a | 1 | 1 | • | 3 |
| Italy, Rome FODAG ^{a,c} | • | 1 | • | • |
| Italy, Milan | • | 1 | • | 1 |
| Netherlands, The Hague | 1 | 1 | • | 4 |
| Norway, Oslo | • | • | • | 1 |
| Portugal, Lisbon | 1 | • | • | 2 |
| Spain, Madrid | 1 | 1 | • | 4 |
| Subtotal | 15 | 20 | 3 | 57 |

Area II - Western Hemisphere

| Country/city | Counselors | Attaches | ATOs | FSNs |
|-------------------------|------------|----------|------|------|
| Canada, Ottawa | 1 | 1 | • | 3 |
| Mexico, Mexico City | 1 | 2 | • | 5 |
| Argentina, Buenos Aires | 1 | 1 | • | 3 |
| Brazil, Brasilia | 1 | 1 | • | 2 |

(continued)

**Appendix I
List of FAS Posts and Number of Personnel
Assigned Abroad (July 1988)**

| | Country/city | Counselors | Attaches | ATOs | FSNs |
|---|--|-------------------|-----------------|-------------|-------------|
| | Brazil, Rio de Janeiro | • | 1 | • | 2 |
| | Brazil, Sao Paulo | • | 1 | • | 2 |
| | Chile, Santiago | • | 1 | • | 2 |
| | Ecuador, Quito | • | 1 | • | 2 |
| | Peru, Lima | • | 1 | • | 3 |
| | Dominican Republic, Santo Domingo | • | 2 | • | 1 |
| | Costa Rica, San Jose | • | 1 | • | 1 |
| | Guatemala, Guatemala | • | 2 | • | 2 |
| | Columbia, Bogota | • | 1 | • | 3 |
| | Venezuela, Caracas | 1 | • | • | 2 |
| | Venezuela, Caracas (ATO Office) | • | • | 1 | 2 |
| | Subtotal | 5 | 16 | 1 | 35 |
| Area III - Near East, South Asia, and Africa | Country/city | Counselors | Attaches | ATOs | FSNs |
| | Bahrain, Manama | • | • | 1 | 2 |
| | Egypt, Cairo ^a | 1 | 1 | • | 3 |
| | Iraq, Baghdad | • | • | 1 | 2 |
| | Saudi Arabia, Jeddah | • | • | 1 | 2 |
| | UAE, Dubai | • | • | • | 1 |
| | Algeria, Algiers | • | • | 2 | 2 |
| | Cote d'Ivoire, Abidjan | • | 2 | • | 2 |
| | Kenya, Nairobi ^a | • | 1 | • | 1 |
| | Morocco, Rabat | 1 | • | • | 2 |
| | Nigeria, Lagos ^a | • | 1 | • | 1 |
| | Nigeria, Lagos ^a (ATO Office) | • | • | 1 | 2 |
| | South Africa, Pretoria | • | 1 | • | 2 |
| | Tunisia, Tunis ^a | • | • | • | 2 |
| | Bangladesh, Dhaka | • | • | • | 2 |
| | India, New Delhi | 1 | 1 | • | 2 |
| | Pakistan, Islamabad | • | 1 | • | 2 |
| | Syria, Damascus | • | • | • | 1 |
| | Subtotal | 3 | 8 | 6 | 31 |

**Appendix I
List of FAS Posts and Number of Personnel
Assigned Abroad (July 1988)**

Area IV - Southeast and East Asia and Pacific

| Country/city | Counselors | Attaches | ATOs | FSNs |
|---------------------------------|-------------------|-----------------|-------------|-------------|
| Malaysia, Kuala Lumpur | • | 1 | • | 2 |
| Singapore, Singapore | • | • | 2 | 2 |
| Thailand, Bangkok | • | 2 | • | 3 |
| Australia, Canberra | 1 | • | • | 2 |
| New Zealand, Wellington | • | 1 | • | 2 |
| China, Beijing ^a | 1 | 1 | • | • |
| China, Beijing (ATO Office) | • | • | 1 | • |
| China, Guangzhou | • | • | 1 | • |
| Hong Kong, Hong Kong | • | 2 | • | 2 |
| Indonesia, Jakarta ^a | • | 2 | • | 2 |
| Japan, Tokyo ^a | 1 | 3 | • | 7 |
| Japan, Tokyo (ATO Office) | • | • | 1 | 3 |
| Korea, Seoul | 1 | 1 | • | 3 |
| Korea, Seoul (ATO Office) | • | • | 1 | 2 |
| Philippines, Manila | 1 | 1 | • | 3 |
| Taiwan, Taipei ^d | • | 1 | • | 4 |
| Subtotal | 5 | 15 | 6 | 37 |
| Total | 28 | 59 | 16 | 160 |

^aU.S. citizen(s) provides secretary/stenography support; not included in numbers.

^bU.S. mission to the European Community.

^cU.S. mission to the U.N. agencies for food and agriculture.

^dThe United States does not formally recognize the government of Taiwan, thus has no embassy in Taiwan. FAS maintains staff at the Agricultural Institute of Taiwan because of the volume of exports to the country.

Source: FAS July 1988 list of overseas posts

Comments From the Administrator, Foreign Agricultural Service

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D. C.
20250

NOV 15 1986

Mr. Frank C. Conahan
Assistant Comptroller General
National Security and International
Affairs Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Conahan:

This is in response to your letter of October 13 addressed to the Honorable Richard E. Lyng, the Secretary of Agriculture, requesting comments on the draft report entitled "Review of the Department of Agriculture's Foreign Attache Service". We are pleased that the report, in general, is positive and complimentary to our Foreign Agricultural Attache Service. I would specifically like to address the report's two main recommendations.

Recommendation #1

"To improve FAS overseas planning, which is the basis for resource allocation and attache evaluation, GAO recommends that the Secretary of Agriculture direct the FAS Administrator to have annual work plans include specific activities that allow the measurement of the fulfillment of post planning objectives."

Recognizing that all of what we do is not precisely measurable, the Foreign Agricultural Service will direct overseas office heads to include more specific activities in their Annual Work Plans (AWP) in order to more effectively measure the completion of post planning objectives. We will also integrate more closely the Country Project Statement (CPS) and the cooperator marketing plans, when feasible, with the AWP.

Recommendation #2

"To enhance attache performance overseas, GAO also recommends that the Secretary of Agriculture direct the FAS Administrator to ensure that attaches assigned to overseas posts are able to effectively communicate with host country officials in their principal language".

FAS fully concurs that we need to make a greater effort to assure a higher level of language competency among our overseas staff. And we are already doing more. We have designated five languages--Japanese, Chinese, Korean, Arabic, and Russian as hard languages--and we are now providing a year's language training. Our current policy to rotate overseas staff back to Washington more frequently before going out to another posting will also help to assure that they get more adequate language training.

Due to personnel and monetary restraints, we have not been able to provide extensive language training in seldom used languages where our officers (unlike

Now on p. 20

Now on p. 40

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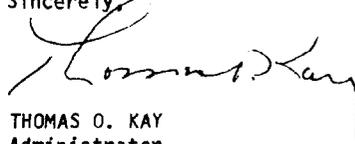
Mr. Frank C. Conahan

2

the State Department) would only be expected to serve once in their career, or for posts where English is widely used. In many countries, our officers can communicate at the professional level in English. We would also note that many of our officers do not attain the 3, 3 level until after they serve at post. Thus, test results could be slightly behind the actual level of proficiency.

We have some other technical changes that we have already communicated directly to your staff. A summary sheet is enclosed.

Sincerely,



THOMAS O. KAY
Administrator

Enclosure

**Appendix II
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Enclosure

SPECIFIC CHANGES AND RECOMMENDATIONS

See comment 1. Now on p. 10.
See comment 1. Now on p. 17.
See comment 1. Now on p. 35.
See comment 1. Now on p. 37.
See comment 1. Now on p. 22.

See comment 2.

See comment 2.

1. Page 15, para 2...The \$20 million increase is yet to be funded.
Page 28, line 3...Specifically FAS transferred (control of) project funds...
Page 53, para 2, line 8...We have two ATOs at present under this program.
Page 56, line 14...Until recently we have not provided language training in Turkish.
Page 34, lines 3, 4 and 5. Currently the attache reports are not sent free to libraries of land grant universities, to Congress nor to national agricultural libraries participating in foreign exchange programs. Under the new user fee proposal, free distribution to all U.S. government and agricultural universities and offices is recommended. We do not even send copies to the National Agricultural Library.

On page 75, first paragraph, line 3 regarding FGIS' responsibility in responding to foreign complaints, delete the words "and informal." FGIS no longer makes the distinction whether a complaint is formal or informal; all complaints are now considered to be formal complaints.

2. We believe the explanation of OICD's programs in Appendix III of the report (pages 75-76) is incomplete and should be revised as follows:

Office of International Cooperation and Development

OICD is responsible for administering USDA's international programs involving -- (1) technical assistance, (2) international training, (3) international research, (4) scientific and technical cooperation (including exchanges), (5) private sector relations, and (6) international organization affairs. Most technical assistance and training work carried out in the developing countries is performed on a reimbursable basis for U.S.A.I.D. and international organizations (such as the World Bank and the Food and Agriculture Organization of the U.N.).

3. Posts Where A Foreign Language Is Not Required:

| <u>English Speaking</u> | <u>American Officers</u> |
|-------------------------|--------------------------|
| United Kingdom | 3 |
| Australia | 1 |
| New Zealand | 1 |
| Canada | 1 |
| India | 2 |
| Pakistan | 1 |
| Kenya | 1 |
| Egypt | 2 |
| Nigeria | 2 |
| South Africa | 1 |
| Singapore | 2 |
| Hong Kong | 2 |
| Philippines | 2 |
| Total..... | 21 |

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Page 2

Posts where English Will Suffice:

| | |
|--------------|----------|
| Sweden | 1 |
| Netherlands | 2 |
| Denmark | 1 |
| Rome (FODAG) | 1 |
| Geneva | 1 |
| Total..... | <u>6</u> |

Others

Greece (1), Turkey (2), Yugoslavia (2), Poland (1), Malaysia (1), Thailand (2),
Indonesia (2), Taiwan (1)

**Appendix II
Comments From the Administrator, Foreign
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The following are GAO's Comments on the Department of Agriculture's letter dated November 15, 1988.

GAO Comments

1. We have incorporated the technical changes included in the Department's comments on the pages noted in the margins.
2. This material has been removed from the report.

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